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VIA Air Pouch

DISPATCH NO. [] 1640

PREVIOUS/RYBAT #89

TO Chief of Mission, Lincoln DATE 23 March 1954
FROM [] INFO: Washington
SUBJECT General - KUGOAN Operations Guatemala
Specific - Guatemalan Personalities

REFERENCES: a) LINC-753
b) []-011

**CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED**

1. Herewith forwarded is information on Major Manuel de Jesus JUAREZ. The source is LIBETHANITE-4; the evaluation, B-2.

2. Also included in this report is information on one Jose GREGORIO Diaz, now apparently residing in Guatemala.

Boyd I. Rolander

BIR/cav
Attach.
cc: 1 - Lincoln (w/attach.)
2 - Wash. "
1 - Files

**CIA HISTORICAL REVIEW PROGRAM
RELEASE AS SANITIZED
2003**

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MANUEL DE JESUS JUAREZ

Manuel de Jesus JUAREZ is a major in the Guatemalan army and was involved in the Salama affair.

JUAREZ, with the promise of reinforcements and with the assistance of Sergio ESCOBAR and Florencio Abigail MEJIA, took the plaza and captured the Governor, Abundio MALDONADO. They armed volunteers and held the plaza for eight hours. When the government ordered troops detached from the base of Alta Verapaz, Cabecera Coban, JUAREZ and his men were still hoping to confront them with the promised reinforcements. The reinforcements, however, never arrived.

JUAREZ and his companions retreated in an Army jeep, escaping over mountain roads, and managed thus to avoid an encounter with the army which was now advancing to recapture the plaza.

A strange thing then happened. Although the Mexican Embassy was guarded by soldiers and police, they gained access to and asylum in the Embassy, were granted safe conduct (to Mexico) and, on arriving here, asked assistance of Colonel (Enrique) ARDON, who, being a "Salamateco", knew them.

One day while in ARDON's house (apparently under strict vigilance), JUAREZ received a money order from Guatemala but refused to explain its origin or to divide it among his friends in exile. In view of his mysterious attitude and his lack of friendship, Colonel ARDON asked him to leave his house.

Press reports from Guatemala stated that JUAREZ had received an order from the Guatemalan Embassy in Mexico to write a letter accusing two deputies of the independent movement of having participated in the Salama affair with him. The letter was called the letter of "Actela" (in view of the fact that it was intended to invalidate their election).

JUAREZ left Mexico with a passport provided him by the Embassy and went to Honduras to join the forces that Colonel Carlos Castillo Armas has quartered there.

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JOSE GREGORIO DIAZ

Subject, a man of humble origin, served as Guatemalan Minister in Germany during the regime of General Jorge UBICO. During the war subject made a bad reputation and a fortune by selling Guatemalan passports to German Jews who wished to escape Hitler's tyranny.

DIAZ took refuge in Costa Rica when AREVALO expelled the ex-candidates of PAN, which organization subject had founded in Guatemala. In Costa Rica, DIAZ wrote articles about the fatal increase in Communist prestige in Guatemala.

Reports from Guatemala now indicate that subject has founded a new party in Guatemala and, according to frequent visitors of the American Embassy, subject is receiving the backing of the United States Ambassador in Guatemala, John PEURIFOY.

DIAZ is now involved in recruiting members for his party and it is reported that the first membership cards have already been issued. The government, however, has begun to watch DIAZ's house and to apprehend those persons who carry the cards of the new party.

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